Running on EXPERIENCE.

2017 Digital Marketing Study.

Welcome to the 2017 Digital Marketing Study. Between March and April 2017, we reached out to 1,165 digital marketers in enterprise companies in the United States, Canada, the United Kingdom, France, and Germany, with an average company size of more than 7,000 employees. We've also gathered information and insights from leaders in several industries regarding their specific challenges, priorities, and tactics. In this report, we use this data to help companies at all levels of maturity successfully transform into an experience business. We hope you find it valuable.

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Serious runners are a breed apart. They get up at the crack of dawn, endure long hours, and struggle through challenging conditions. But when they achieve the legendary runner's high, none of that matters.

The race to capture the hearts and minds of your customers isn't all that different. Today's consumers are inundated with more content, more channels, and more digital experiences than ever before. If you want to earn their loyalty, you have to go a lot further than just offering products or services. You have to push for great customer experiences—the kind that are personal, relevant, and compelling. You have to transform.

The road to becoming an experience business, one that can deliver the kind of experience your customers want, is hard. But when you commit to going the distance, when everyone in your company is on board and working together, you'll find your high—where the race gets easier and the effort more rewarding.

"Don't be afraid to give up the good to go for the great."

STEVE PREFONTAINE
1972 Olympic runner

The **RACE** is on.

"To be a consistent winner means preparing not just one day, one month, or even one year—but for a lifetime."

BILL RODGERS
four-time Boston Marathon winner

"An experience business is a business that puts its customers at the forefront," says Nick Christy, senior vice president of enterprise technology at R2i. "It's about truly being able to interact with them, regardless of channel, in ways that are consistent and provide an exceptional experience."

Companies that successfully transform into an experience business will grow and thrive. Those that don't will struggle to catch up. But the effort goes far beyond how you do your digital marketing. It needs to be a business priority with a commitment across your entire organization—from your CEO on down. It requires a big-picture, strategic approach to increasing your digital maturity and rethinking most, if not all, of your internal processes.

But just as you'd never attempt 26 miles without training, you can't expect to transform into an experience business overnight. You need a plan that gradually increases your digital fitness over time.

And even when you feel like you're almost there, be prepared to dig deeper and find the endurance to push further. Because there really is no finish line. The digital landscape will continue to change and you'll need to change with it. If you adapt and keep going, you'll find that exhilarating high and you won't want to stop.

FUEL for the long run.

"I've always liked hills. I see a challenge, a goal, and I feel instantly galvanized to achieve that goal."

AMBY BURFOOT
winner of the 1968 Boston Marathon

It's no surprise that those furthest along in the experience transformation report the highest level of digital maturity. It's the fuel they need to succeed. The companies out front are taking steps to advance their maturity in a holistic way—not by adding disparate technologies here and there, but with a clearly defined strategy. They're using data as a foundation for all of their digital efforts, examining every aspect of the customer journey, and evaluating and transforming their internal structures where necessary.

When you look at the road ahead, it's important to be aware of what's happening around you. For the past eight years, Adobe has conducted an annual survey to explore trends and priorities in digital marketing and understand how companies are using it to gain a competitive edge. Last year, we saw that most organizations are expanding their digital capabilities across a broad spectrum of tactics and technologies—and seeing results. This year, we looked at how they're progressing on the digital maturity path and explored what they're doing to transform into experience businesses.

In this report, we reveal the key findings from the 2017 Digital Marketing Study and look at where digital maturity stands compared to last year. We explore what the most digitally advanced companies—the leaders of the leaders—are doing to achieve results. This includes their current and future investment strategies, what capabilities they're prioritizing, and what optimization strategies are working.

We also dig into industry-specific data and share benchmarks and perspectives that will help you evaluate where you are on the maturity spectrum. Lastly, we use the insights from the survey to outline four milestones to hit on your own path to transformation.

Digital maturity definitions:

- **Advanced:** Data mostly integrated, best practices generally followed, automation common, strong technical skills
- **Focused:** Data and processes somewhat integrated, automation common, solid and expanding technical skills
- **Emergent:** Basic data integration, some automation, growing technical capacity
- **Non-existent:** Limited data in silos, no automation, no technical capability

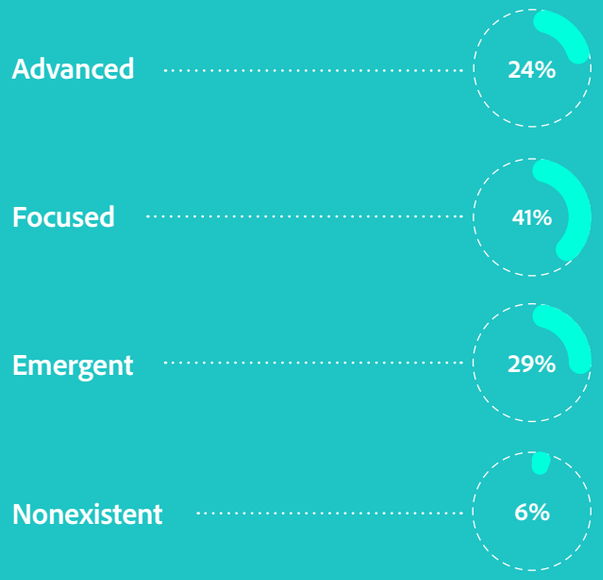
Gaining **GROUND.**

"Run for twenty minutes and you will feel better. Run another twenty and you might tire. Add on three hours and you'll hurt. But keep going, and you'll see and smell and hear and taste the world with a vividness that will make your former life pale."

SCOTT JUREK
American ultramarathoner

Over the past year, digital marketers made great strides in their quest for maturity. A quarter of all organizations surveyed self-report an advanced level of digital maturity, up 118 percent over 2016.

2017 maturity rating.

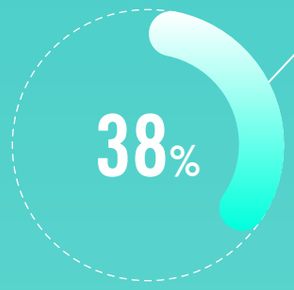


This is likely due to the fact that 38 percent are investing in all areas of digital maturity—structure, people, processes, and tools—especially in North America, where 43 percent are making these broad investments.

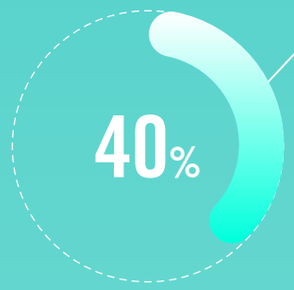
A quarter of all organizations surveyed self-report an advanced level of digital maturity, up 118 percent over 2016.

2017 shows great strides in digital maturity.

24% self-report advanced maturity (vs. 11% in 2016)



38% are investing in all areas of digital maturity: structure, people, processes, and tools (vs. 28% in 2016)

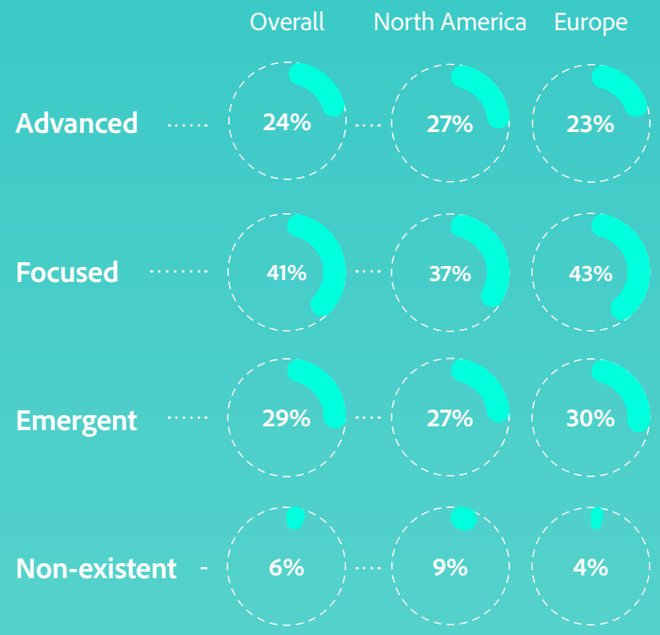


40% say digital maturity has definitely differentiated them from competitors (vs. 30% in 2016)

And their investments are paying off. Forty percent say their growing maturity has definitely differentiated them from their competitors—a 33 percent increase over 2016. The only exception to this is the media and entertainment industry, where 25 percent of respondents say it had not differentiated them. This may be due to the fact that the industry as a whole is further down the path of delivering digital experiences, so it takes significantly more capabilities and tactics to jump out ahead.

While progress is slower in Europe, the overall numbers indicate that the maturity landscape is changing rapidly. The leaders are setting the pace and everyone else will have to keep up.

Self-reported digital maturity.



The lay of the **LAND.**

"If it doesn't challenge you, it won't change you."

FRED DEVITO
Executive Vice President of Mind Body Training
Exhale Enterprises

Psyching yourself up for what lies ahead can be hard. But seeing where the competition is headed can be just the motivation you need. Here's a quick view of the current landscape.

The survey showed that for most respondents, the most important digital marketing capability is still a whole customer view. Ninety-three percent of all companies cited the importance of a 360-degree perspective of their customers, which comes from integrating insights from analytics, customer relationship management (CRM), and other data sources.

"A business needs to understand their customers down to the individual level to truly deliver a personalized digital experience," says Adam Lavelle, chief marketing officer at Merkle. "You need to map your first-party data against what's available through digital media and use insights to create truly personal experiences to manage customer relationships over time," he adds.

Appropriately, then, 2017 saw significantly more organizations using automation to create personalized content. Mobile in particular saw significant gains, with a 115 percent increase.

Increase in automated personalization from 2016.

51%
Web

115%
Mobile

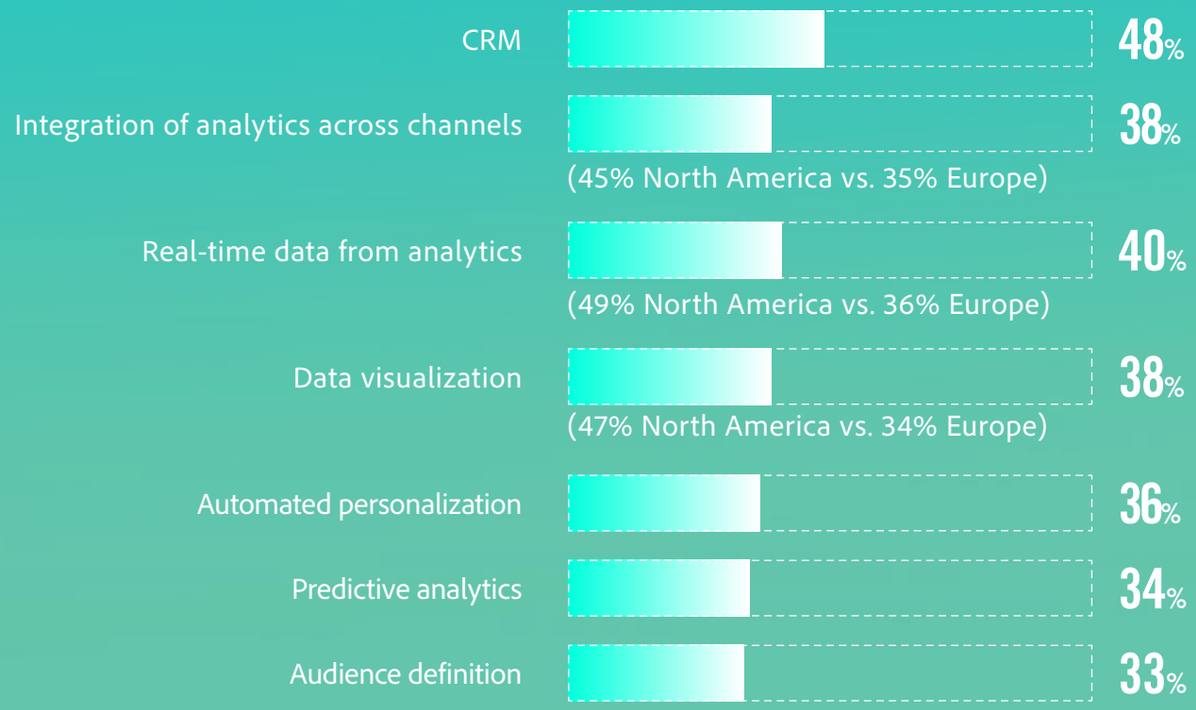
"A business needs to understand their customers down to the individual level to truly deliver a personalized digital experience."

When it comes to enhancing their data-driven marketing efforts, CRM data is still the top approach, being used by 48 percent of companies. However, that represents a significant 30 percent decline from 2016. The use of audience definition was also down 31 percent. On the other hand, a third of companies are turning their focus to predictive analytics, which represents a 36 percent increase. North American organizations are ahead of those in Europe in several of the approaches.

Digital marketing budgets are expected to increase in all areas over the coming year, especially for optimization, social marketing, advertising, and enterprise marketing management. More North American companies claimed to be increasing budgets than in Europe.

But challenges remain, especially with testing. Nearly all areas of testing were reported as more challenging this year—especially in Europe.

Approaches used to augment data-driven marketing.



Hit your **STRIDE.**

"It's not so much that I began to run, but that I continued."

HAL HIGDON
four-time World Masters Champion

Despite a few headwinds with testing challenges, the survey shows that transformation is definitely happening. Companies are gaining strength in their digital capabilities and focusing more attention on customer experiences. But it's not a simple sprint to the finish line. It's important to remember that achieving digital maturity is an ongoing process that requires a long-term strategy.

The survey identified several key areas that are essential to the transformation strategies of the most digitally advanced companies, which we've compiled into four milestones to transformation. Whether you're just starting out, or well on your way, they'll guide and coach you on your way to achieving digital maturity and becoming an experience business.

Four milestones to transformation.

1	**Assess your digital fitness.** Evaluate your digital maturity and your progress toward becoming an experience business.
2	**Map out your route.** Build your plan and start aligning capabilities, strategy, people, and other resources.
3	**Draft off industry leaders.** Implement your plan, paying attention to trends in your industry and working in new strategies and processes.
4	**Lock in your lead.** Make organizational changes to become a robust and agile experience business.

MILESTONE 1

ASSESS

"The ultimate is not to win, but to reach within the depths of your capabilities and to compete against yourself to the greatest extent possible."

BILLY MILLS
1964 Olympic champion

Before you'd ever lace up your running shoes and hit the road, you should first determine your fitness level. Likewise, your first step on the transformation path is to take a hard look at your strengths and weaknesses. Think of it as a checkup to see where you are right now and what shape you're in to move forward. Compare your organization to others in the survey and particularly to the most digitally mature.

Physiology of digitally mature companies.

34%

Have a company-wide approach to testing

63%

Use dynamic content in emails

52%

Personalize email content

52%

Use analytic integration to augment data-driven marketing efforts

51%

Use CRM data to augment data-driven marketing efforts

48%

Use real-time data to augment data-driven marketing efforts

54%

Use responsive mobile emails

78%

Automate personalized content for web

74%

Automate personalized content for mobile

88%

Say automation has led to an improvement in KPIs on website

91%

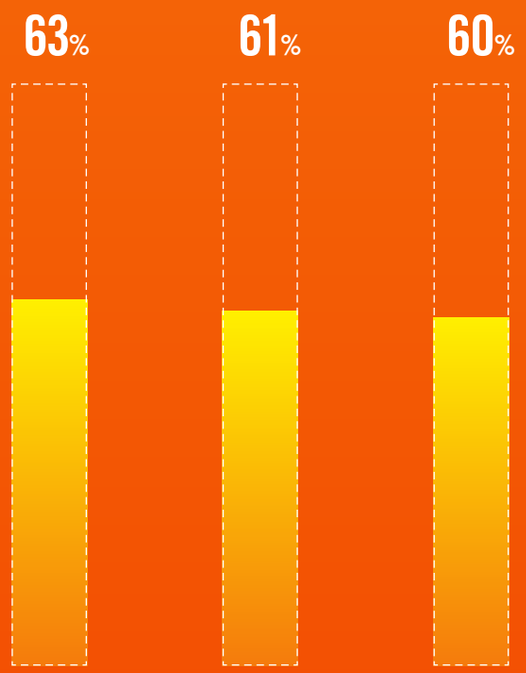
Say automation has led to an improvement in KPIs on mobile

Physiology of digitally mature companies.

Plan to invest in *all* of structure, people, processes, and tools

Mean number of "very important" investments in the next three years

Say whole customer view is a "very important" investment in the next three years



Plan to increase their optimization budget

Plan to increase their personalization budget

Plan to increase their advertising budget

Mean number of measurement and optimization tactics currently used

Say connected experience is a "very important" investment in the next three years

Mean number of measurement and optimization tactics planned for use

Say predictive marketing is a "very important" investment in the next three years

95%

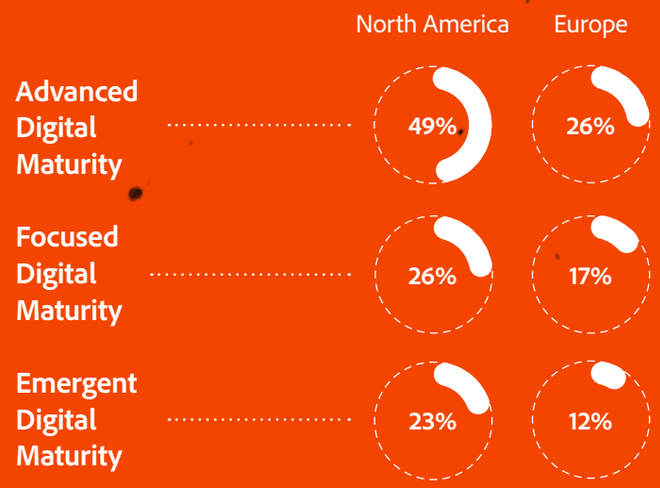
Ninety-five percent of all organizations surveyed plan to grow their digital maturity by investing in some or all of its key pillars (structure, people, processes, and tools).

If you have a long way to go, you're not alone. Ninety-five percent of all organizations surveyed plan to grow their digital maturity by investing in some or all of the key pillars (structure, people, processes, and tools)—and 71 percent of digitally mature companies plan to invest in all areas.

Look at which strategies and capabilities mature companies have already put in place, where they're investing, and what significant changes they've made over the last year. Our study found seven key capabilities that were prioritized in 2017.

A company-wide approach to testing.
Digitally mature companies are more likely to have a company-wide approach to testing and not rely as heavily on their marketing department. This is especially true in North America, where 49 percent report a company-wide approach, compared to Europe's 26 percent. Only 19 percent of all focused companies use a company-wide approach.

Company-wide approach to testing.



"The only way you can succeed over time in the digital age is through a companywide approach to testing," says Merkle's Lavelle. Mature organizations gain valuable insights when everyone in the company is empowered to contribute to the testing process, not just those in marketing. Tap into the expertise from your executive staff, managers, researchers, and even your call-center staff and other customer-facing departments.

Multiple measurement and optimization tactics.
Mature and focused companies currently use an average of six tactics to measure and optimize their efforts, but they expect that number to grow to 11 in the next three years. North American organizations currently use two more tactics than their European counterparts. Half of all companies use website analytics, which topped the list of tactics.

Number of measurement and optimization tactics used.

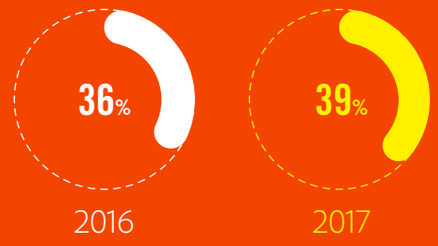
Currently use:

Plan to use:

Predictive analytics.
Overall, we saw a 36 percent increase from last year in the use of predictive analytics to augment data-driven marketing efforts. More North American companies use this approach—including more than half of digitally mature organizations. But companies in Europe are coming up to speed. The survey shows a 63 percent increase there.

Percentage of companies who use predictive analytics.

North America



Europe

Personalization.
During 2017, significantly more organizations automatically created personalized content for web and mobile, and more visitors received it. Sixty-two percent of respondents use automated personalization for web—up 51 percent over last year. Fifty-six percent now use it for mobile—a 115 percent increase over 2016.

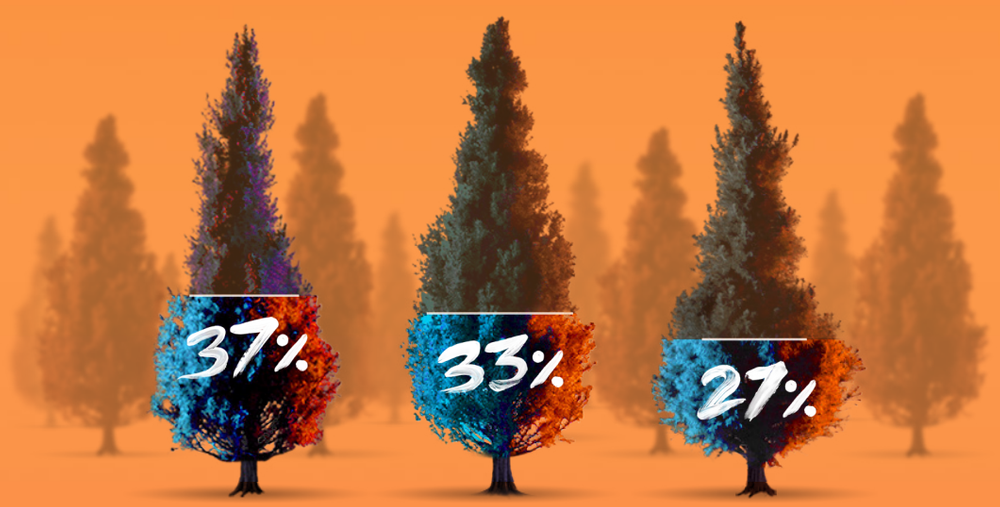
Mobile.

Most organizations report receiving 20 percent or more of their web traffic from mobile, and almost a third say it's 41 percent or more. People are tied to their mobile devices and expect great experiences—no matter how small the screen. It's no surprise that mobile continues to be a leading investment priority in 2017. We asked survey participants to select their three top mobile investment areas and the results clearly focus on the customer.

Marketers are working hard to create more compelling mobile experiences, prioritizing personalization, mobile analytics, and data integration. And they're using a median number of two mobile channels to reach their customers. Half of all organizations employ mobile apps and responsive design websites.

Top mobile investments in 2017.

Percentage of companies that are making these changes a priority.



Improved customer experience

Customer acquisition

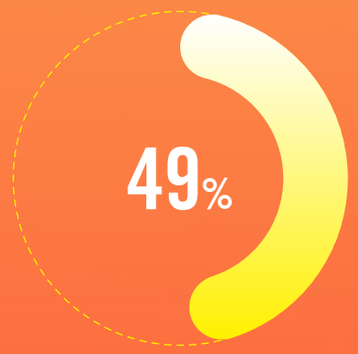
Customer support

Top three priorities for enhancing mobile capabilities.

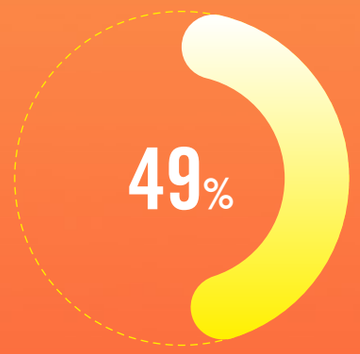
Personalization

Mobile analytics

Data integration



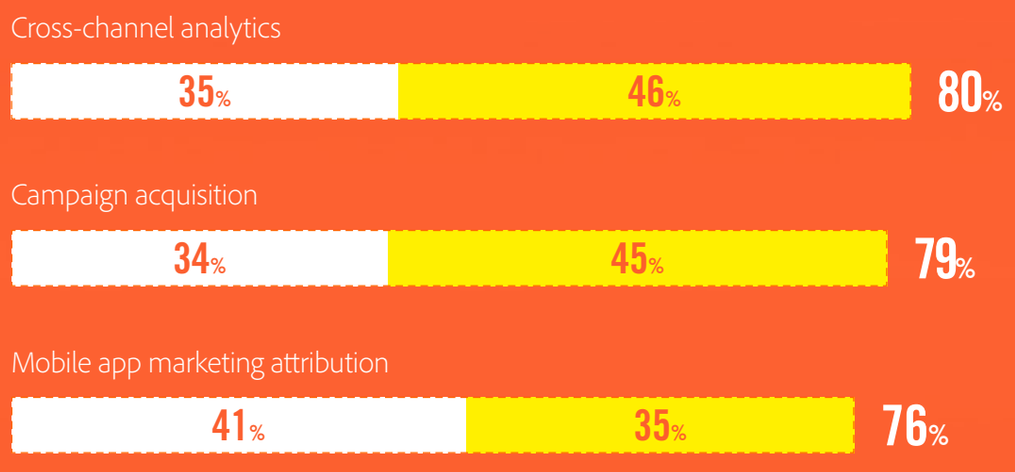
Use mobile application(s)



Use responsive design website (59% in North America)

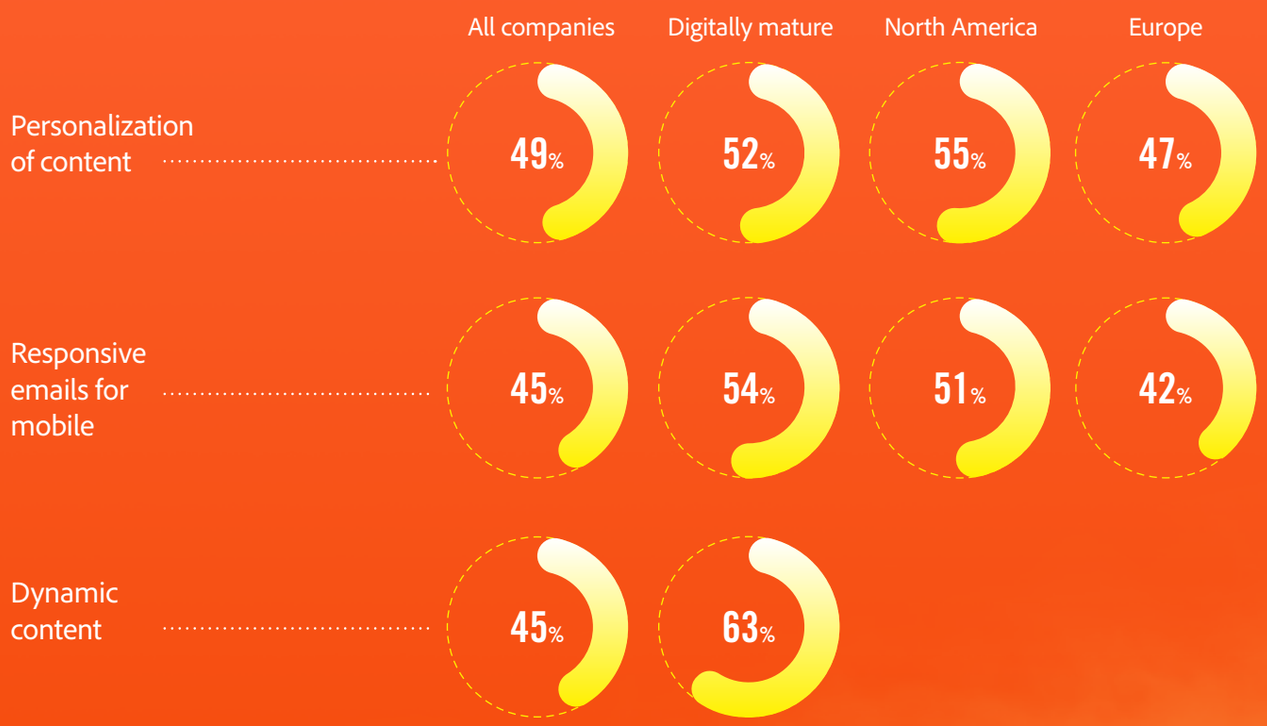
Efforts to optimize mobile capabilities are similar between North American and European companies. Cross-channel analytics and campaign acquisition were the most important in 2017, followed by mobile app marketing attribution. We did not see a lot of differences between industries, except when it comes to measuring experiences through the Internet of Things. Eighty-two percent of respondents in the tech industry felt this was somewhat or very important, which is nine percentage points higher than the mean.

Importance of mobile optimization efforts in 2017.



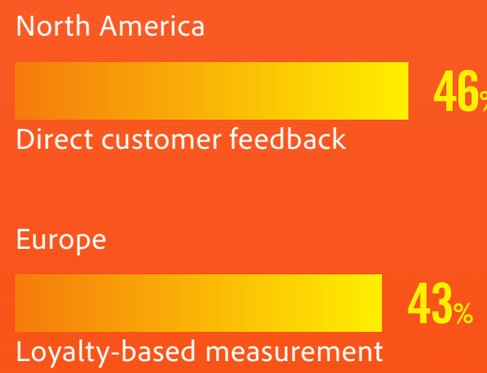
Enhanced emails.
More companies invested in email capabilities during 2017 than in 2016—especially those with advanced digital maturity. While personalized content and responsive emails for mobile topped the list of email investments, there's been a significant increase in the number of companies using dynamic content.

Email investments during the past year.



Tracking customer experience.
As more companies move toward becoming an experience business, they're using various channels for understanding the effectiveness of their efforts. This year, customer feedback surfaced at the front of the pack in North America, while loyalty-based measurement was the frontrunner in Europe.

Preferred measurement criteria.



Globally, several metrics are being used for actually measuring success, but almost half of respondents use conversion rate, followed by unique visitors (especially in North America) and customer churn rate, which was slightly higher in Europe.

Specific metrics used to measure customer experience efforts.

Use these findings about digitally mature companies to help you determine your strengths and weaknesses and to set your priorities for transformation. Consider an online tool, such as the Adobe Digital Marketing Maturity Self-Assessment Tool. It might also be valuable to get a formal assessment from a trusted partner or expert. These companies can do an in-depth assessment, offer valuable insights, and serve as your coach to develop a strategic plan for advancing your digital maturity.

MILESTONE 2

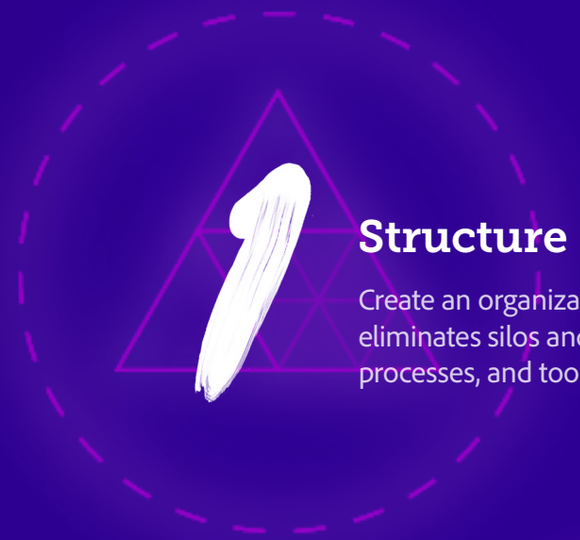
PLAN

"Concentrate on small segments of your race at a time. Rather than obsessing about the distance that remains, simply complete the next mile in good form—try another, then another, until the race is done."

JERRY LYNCH
runner and sports psychologist

Every organization is in a different place on the road to transformation. You may be fairly far down the road—or standing right at the starting line. Either way, your transformation plan requires having the structure, people, processes, and tools in place to create, deliver, and measure great customer experiences. You won't get very far without them.

Essential elements for **TRANSFORMATION**



Structure

Create an organizational infrastructure that eliminates silos and integrates all people, processes, and tools.

People

Make transformation a business goal by getting everyone on board—from your CEO on down—and tap into everyone's unique skills.

Processes

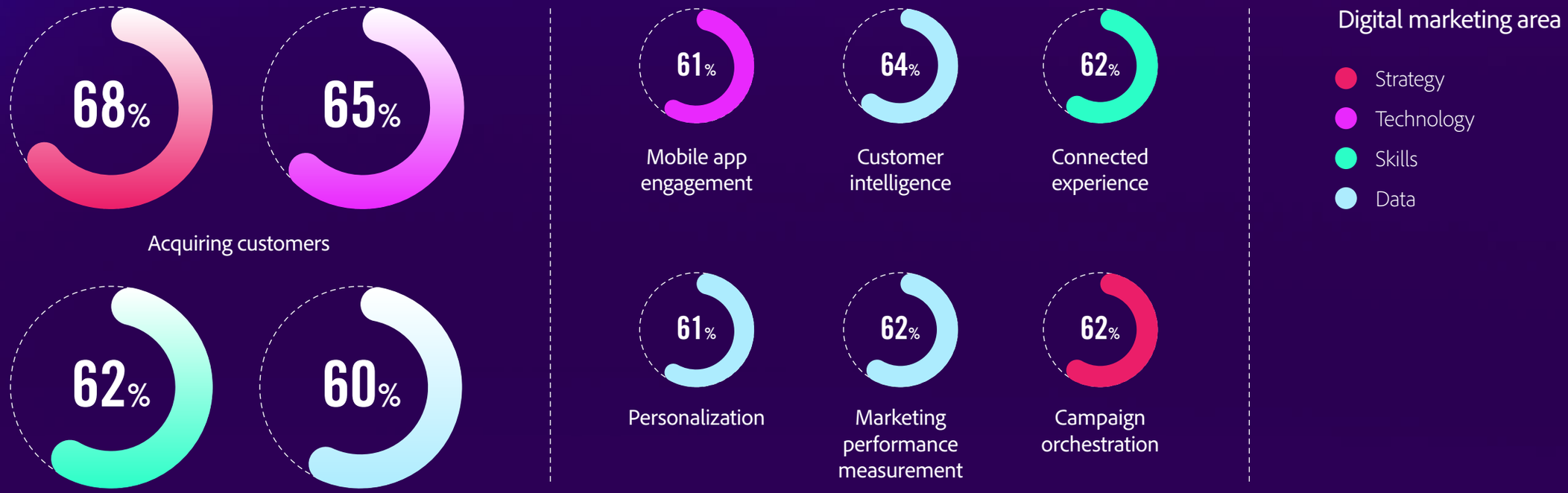
Rethink all of your processes as part of your strategy, then adjust or streamline to find efficiencies.

Tools

Use data as a foundation and prioritize other technologies that advance your digital maturity across the board, not in incremental pieces.

Not coincidentally, at least two-thirds of respondents said strategy, technology, skills, and data were all very important to their strategic success over the next 18 months—especially for acquiring customers.

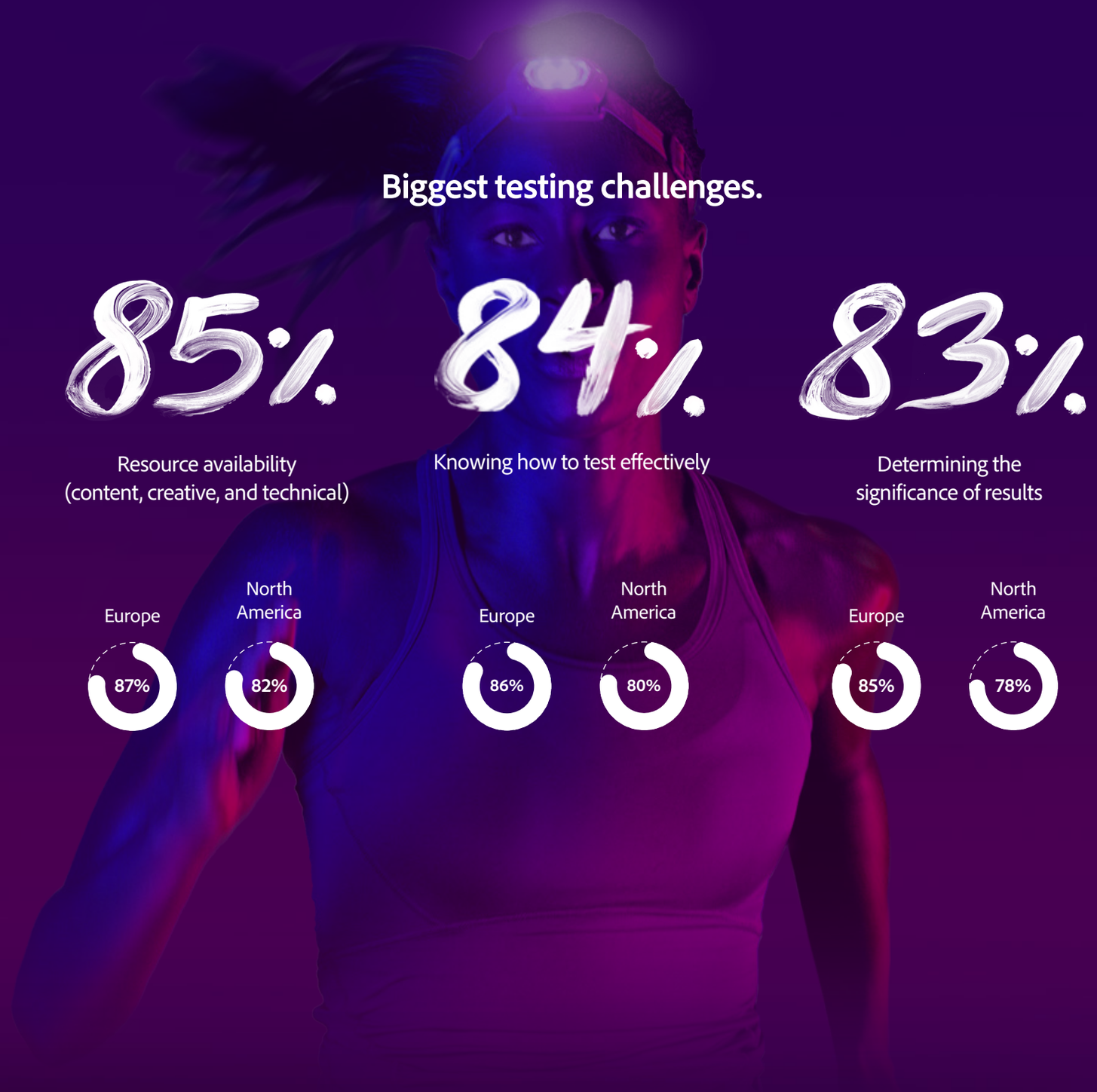
Percentage of respondents who think these digital marketing areas are important to the success of their strategic capabilities.



Identify short- and long-term goals and set priorities for growth.

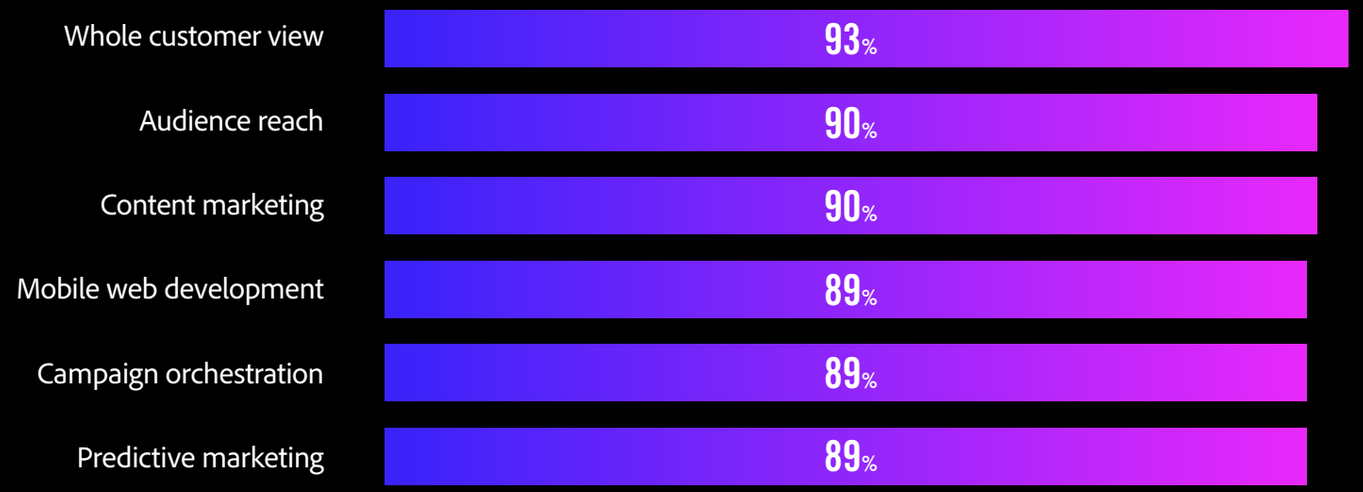
Start by identifying what is working well in your digital efforts and what you have planned to support more progress. Think about what you can do in the short term—much like training first for a 5K—as well as what you can do for the marathon of full digital transformation. Set strategic milestones to reach along the way and look for quick wins to keep you going.

Next, identify your biggest challenges. In our survey, testing was front and center. Respondents, particularly in Europe, were more likely in 2017 to report that almost all areas of testing were challenging. Last year, the top three challenges were resource availability, budget, and staffing. This year, resource availability was still the biggest challenge, followed by knowing how to test effectively (which was up 106 percent this year) and determining the significance of test results (up 71 percent).



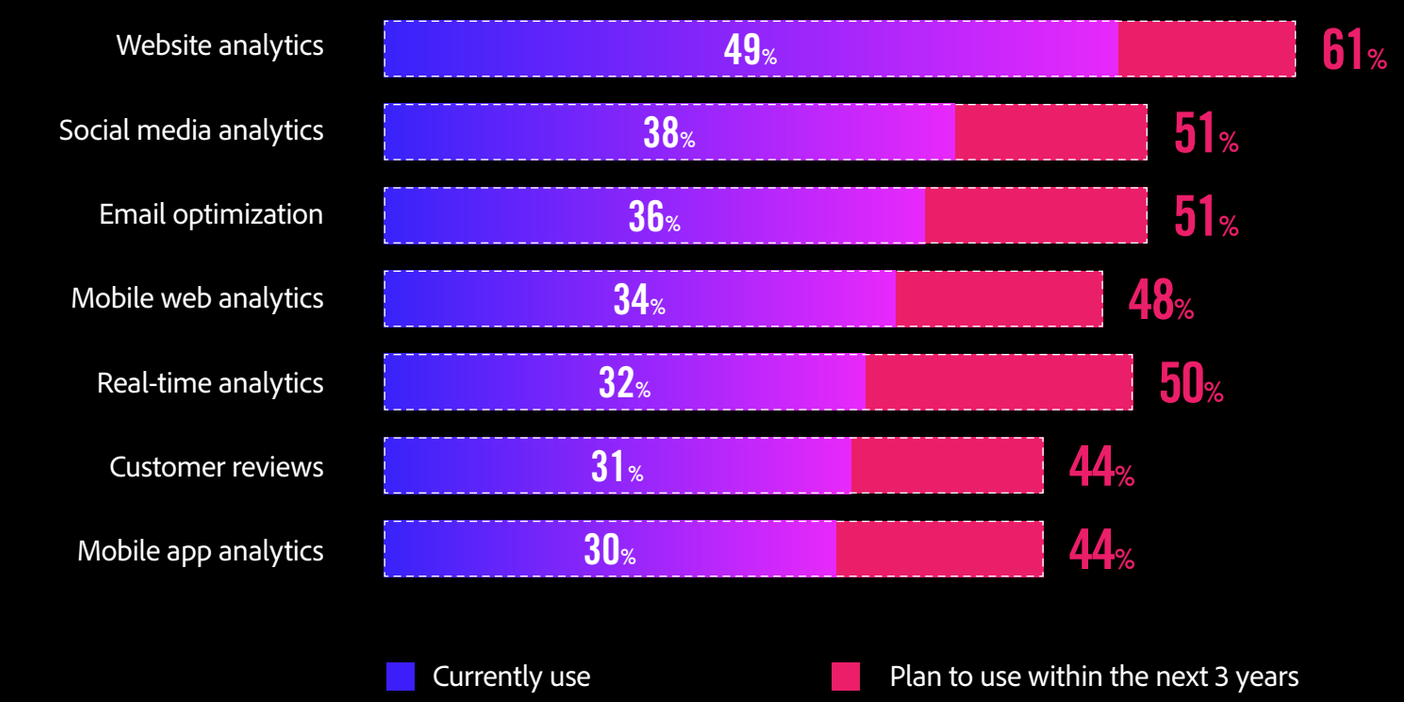
Almost all companies surveyed place a high priority on knowing who their customers are and reaching them wherever they are. Ninety-three percent ranked a whole customer view as a somewhat or very important investment in the next three years—putting it as the most important capability overall and maintaining the top spot it held in 2016.

Top capabilities seen as somewhat or very important in the next three years.



Analytics is essential to becoming an experience business, and companies are making it a high priority. This year, several types of analytics are getting a significant share of the investment pie, especially in terms of measurement and optimization. The notable increase in "plan to use" for many of these tactics demonstrates their importance to companies' long-term strategies as well.

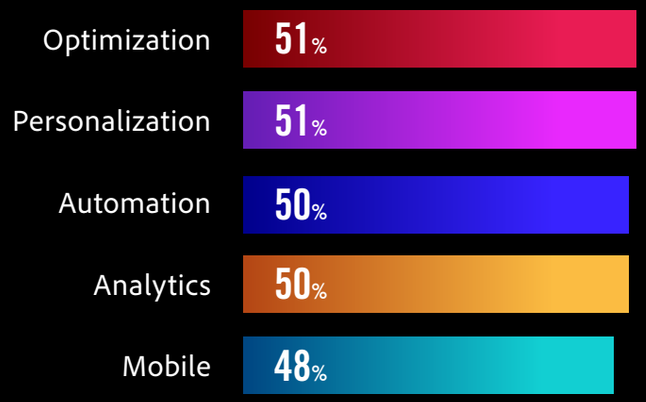
Top measurement and optimization tactics used.



Look at where companies are investing.

A commitment to digital maturity requires money. Look at where mature companies are putting their dollars, and identify areas to focus on in order to keep pace. Overall, budgets are expected to increase in several areas in 2017, with optimization, personalization, automation, analytics, and mobile leading the pack. More North American companies are prioritizing mobile, content management, and advertising than companies in Europe.

Where most companies are increasing budget in next 12 months.



Make transformation an enterprise goal.

While investing in and optimizing your capabilities are critical to your digital fitness, digital transformation needs to be a company-wide initiative. You won't get very far without giving all of your organizational processes a thorough examination.

Know where you want to go and how you're going to get there. Pace yourself. Begin with initiatives that can be done in phases and assign responsibilities. Start at the executive level, then begin to align your people, processes, and technology to achieve your goals. You might consider hiring a partner to help you design an enterprise-wide strategy. Those that specialize in helping companies create great customer experiences bring valuable knowledge gained from working with numerous other clients on the path to transformation.

You won't get very far without giving all of your organizational processes a thorough examination.

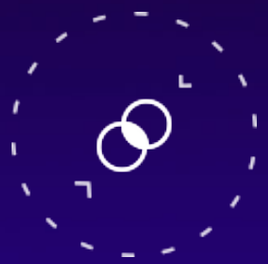
EQUIP YOUR TEAM

TO PULL AHEAD

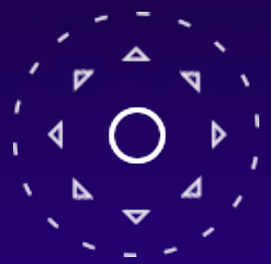
Make transformation a company-wide priority.

Be prepared to change how your organization thinks and acts.

Consider hiring a partner to coach and guide you as needed.



Promote cross-company groups that work together.



Encourage open environments with an agile process.

Assign responsibilities and work in phases.

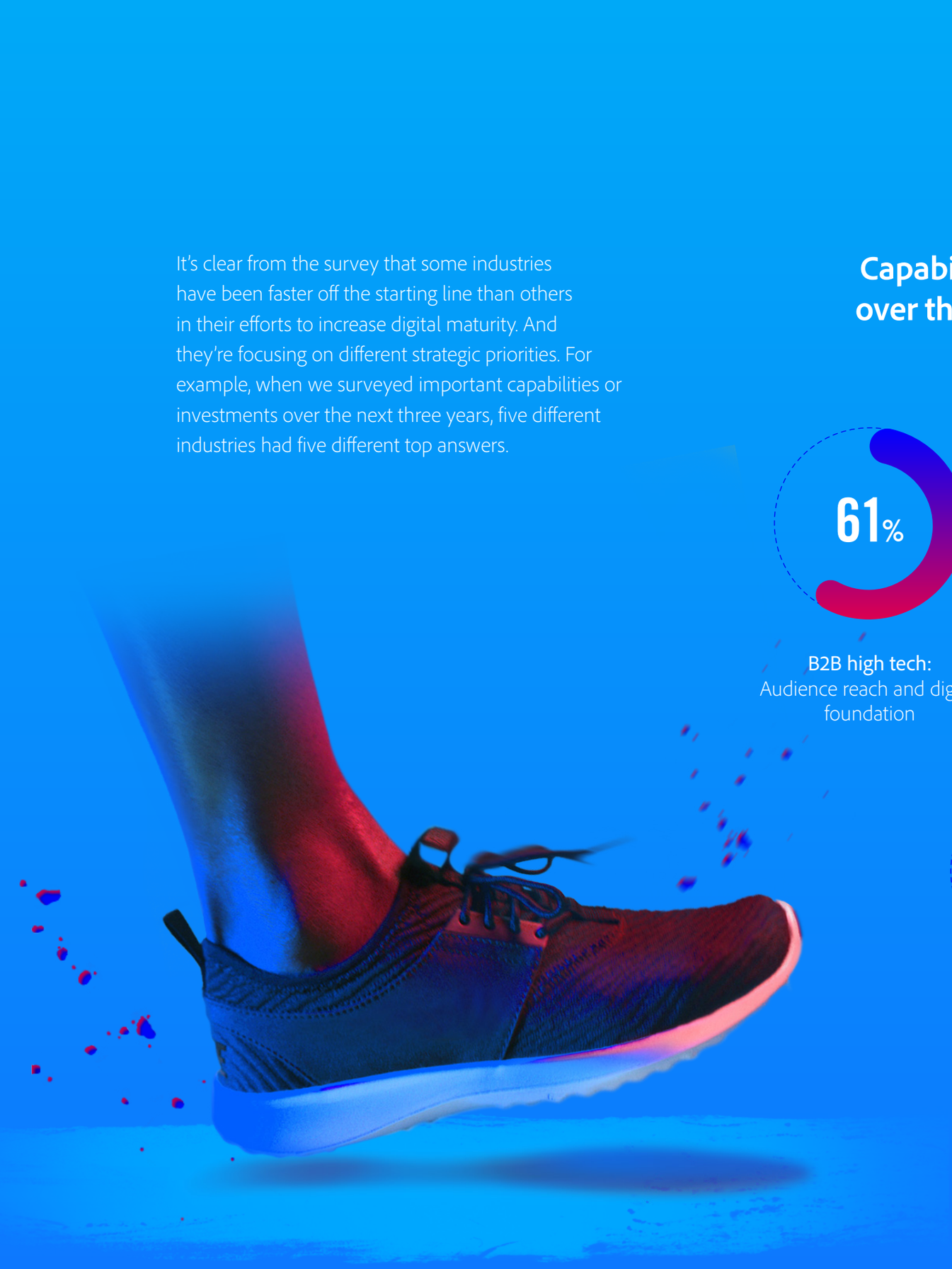
"I succeed on my own personal motivation, dedication and commitment. My mindset is, if I'm not out there training... someone else is."

LYNN JENNINGS
American long-distance runner

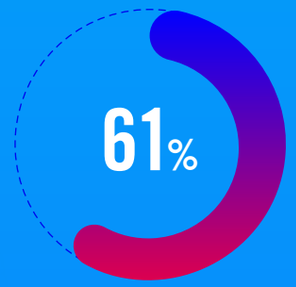
"It takes a really strong vision to think about what kind of technology decisions you should make," says Nick Gloe at Slalom. "Jeff Bezos at Amazon always leaves one seat open at board meetings for the most important person in the room—the customer."

Transformation is a journey that takes commitment, flexibility, and vision. But good planning will help you keep your goal in sight. As you begin running with your strategy, pace yourself. Build as you go, and continue to assess your digital maturity—especially in terms of what's happening in your industry. Stay on top of what the leaders are doing, especially the specific capabilities you should be implementing to be competitive. Be sure to look at new technologies and business strategies that might be gaining traction—such as artificial intelligence, virtual reality, and other big bets coming online.

It's clear from the survey that some industries have been faster off the starting line than others in their efforts to increase digital maturity. And they're focusing on different strategic priorities. For example, when we surveyed important capabilities or investments over the next three years, five different industries had five different top answers.



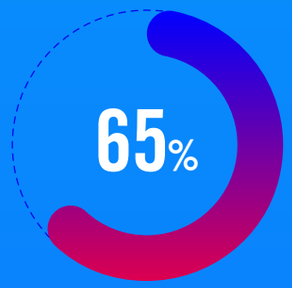
Capabilities or investments ranked very important over the next three years by the most respondents.



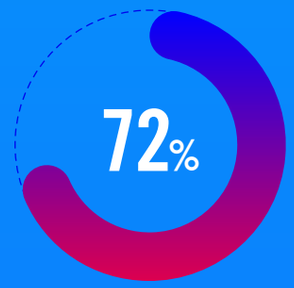
B2B high tech:
Audience reach and digital foundation

Financial services:
Campaign orchestration

Media and entertainment:
Connected experience and content marketing



Retail:
Relevant creative



Travel and hospitality:
Digital foundation

But all industries are concerned about their customers, especially in the short term. When asked to pick their top three strategic capabilities in the next 18 months, respondents overall chose content personalization, customer journey management, and customer intelligence—all areas that will help them create better customer experiences.

Top three strategic capabilities in the next 18 months.

CONTENT PERSONALIZATION

CUSTOMER JOURNEY MANAGEMENT

CUSTOMER INTELLIGENCE

GETTING THE INSIDE TRACK ON EACH INDUSTRY

Now that you've seen the overall survey data, it's time to look more closely at what your own industry is doing. We asked our industry partners—leaders in their fields who have a wealth of experience and valuable perspectives—to share their insights on the data and what it means for their industries. They talked about challenges they're facing, areas they're prioritizing, and important changes they're seeing on the horizon.

Consider what these industry leaders are doing and what you'll need to do to stay relevant. Determine what is important for your organization over the next three years and what needs to come first. Focus on the things that are foundational, prioritize those areas, and work them into your plan.

B2B HIGH TECH

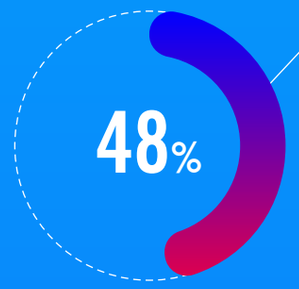
Putting customers at the forefront.

Making strides in digital maturity seems natural for companies in the B2B high-tech space. After all, cutting-edge technology is in their veins. Still, while 48 percent of these organizations consider themselves "focused" on the digital maturity scale, something is holding them back.

Nick Christy, senior vice president of enterprise technology for R2i, a full-service digital marketing agency, says it all comes down to viewing marketing as a holistic organization. If they're successful, companies can then focus on what matters most—providing consistent, exceptional experiences to their customers.

"Other industry leaders talk about the importance of customer experience and connected data, but it's a major challenge in the B2B arena," he said. "When it comes to relationships with customers, B2B is very traditional, relying on their sales force to gather customer insights. By merging traditional methods with digital marketing and data, companies can put a complete view of the customer together, integrated across all channels."

Building this 360-degree view means tying together customer insights from across the organization, including those from analytics and CRM data, he added.



48% of B2B high-tech organizations use CRM data to augment data-driven marketing.

"Your CRM holds customer intelligence that is pivotal to carrying out your digital strategy, including the ability to do predictive marketing and attribution modeling," says Christy. "The right digital foundation must include your CRM, while focusing on how data fits in with your overall organizational strategy."

As B2B high-tech companies continue to transform in their quest for digital maturity, they should understand that the race to maturity has no finish line.

"Digital transformation is something that is constantly happening," says Christy. "It never does stop."

"The right digital foundation must include your CRM, while focusing on how data fits in with your overall organizational strategy."

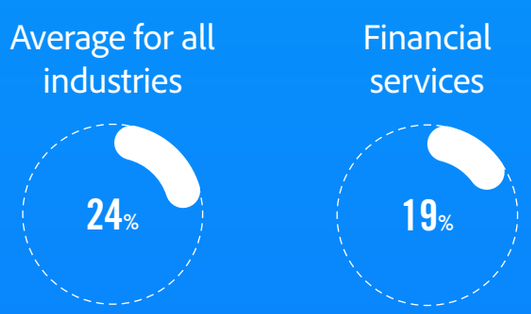
NICK CHRISTY
Senior Vice President of Enterprise Technology
R2i

FINANCIAL SERVICES

Playing catch-up.

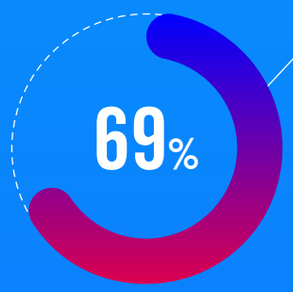
Financial services firms need a customer-focused experience that meets the same expectations as other industries. But mainstream firms in this industry are lagging. They're risk averse, late to trends, and have been slower to invest in digital maturity.

Self-reported advanced digital maturity.



"They're playing catch-up, which explains why many North American financial services respondents didn't feel digital maturity was a differentiator," says Jim Goldschlager, general manager at Slalom Consulting in Hartford, Connecticut. "They're investing just to reach the same position as other industries. In mobile, for example, they're behind the curve. Mobile banking should have the same ease of use as buying products on Amazon or ordering drinks on Starbucks."

Where the financial services industry has a big leg up is data. Firms do a good job with data integrity as well as normalization, and they attribute most interactions back to unique customer IDs. But with so many disparate systems going back decades, firms struggle to obtain a whole customer view. They're challenged to track customers across channels, which explains why campaign orchestration topped their list of very important capabilities in cross channel marketing over the next three years.



69% of financial services firms see campaign orchestration as a very important capability in cross-channel marketing over the next three years.

Gaining ground will take a team effort, explains Goldschlager: "To be an active part of an organization's transformation, to be integrated around experiences, to help other departments step up and work collaboratively is what's going to unlock ROI and the transformation to being a more experience-driven business."

"I think there's a realization that the industry has to play catch-up and accept that there is a timeline by which they need to get there. I've seen a really positive response in the industry—there's a lot of great momentum."

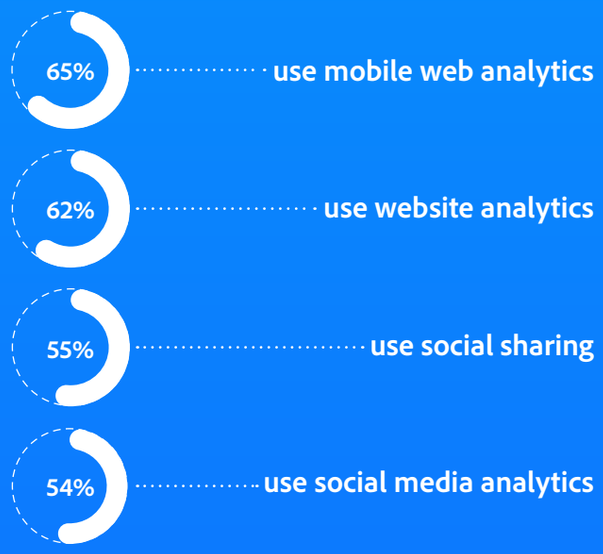
JIM GOLDSCHLAGER
General Manager
Slalom Consulting

MEDIA AND ENTERTAINMENT

Out front and not slowing down.

Despite their advanced digital maturity, 25 percent of media and entertainment companies report that their digital marketing efforts haven't differentiated them at all. This could stem from the fact that they're already ahead of most industries in regards to measurement and optimization, and their lead is becoming harder to sustain.

Measurement and optimization tactics used in media and entertainment.



Most are working hard to capture data about audiences locked behind traditional TV and box-office screens. They're investing in tools to understand their customers on every available channel—and using that information to deliver personalized content.

"There are billions of potential customers watching our shows and we've had no way to reach them. That's changing," says Jeffrey Gross, Epsilon VP of industry strategy for media and entertainment.

Viewers can now watch programming on connected TVs, laptops, phones, and other mobile devices without subscribing to a cable or satellite provider. And while these over-the-top services provide more opportunities to gather audience data and create personalized content, they can also create disjointed experiences.

This industry disruption is a big reason why 70 percent of media and entertainment companies rank content marketing and connected experience as "very important" in building their customer experience capabilities. They need to deliver relevant content wherever their customers are and ensure it's a seamless experience.

It's also why content personalization is the top strategic priority for the next 18 months. Now more than ever, media and entertainment companies need to deliver the right content to the right person at exactly the right time—regardless of which screen they use.

70% of media and entertainment companies rank content marketing and connected experience as "very important" in building their customer experience capabilities.

"There are billions of potential customers watching our shows and we've had no way to reach them. That's changing."

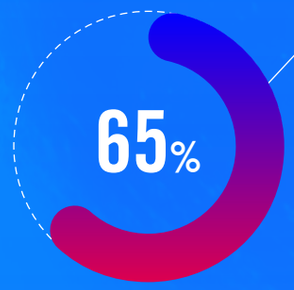
JEFFREY GROSS
Vice President, Media and Entertainment Strategy
Epsilon

RETAIL

Focusing on the journey, not the destination.

The path to becoming an experience business requires the use of technology—to collect and analyze data as well as to deliver relevant content. But creating relevant content requires first developing empathy with your customers, according to Jamie Anderson, executive of experience and strategy at the full-service marketing agency ICF Olson.

"Think like people," Anderson recommends. "Get out of your chair and go into your stores and watch your customers."



65% of retailers rank relevant creative as very important in programmatic advertising over the next three years.

To create people-centered touchpoints, Robert Sumner, a principal consultant at digital marketing agency Perficient Digital, counsels that retailers need to start by focusing on the customer journey. "You can't do personalization at all until you do customer journey management," says Sumner.

It's important to understand how your customers interact with you—not just online but in your physical stores as well—and then get that data to all who need it. "Having more data in front of store associates to provide more insight will benefit brick-and-mortar stores with increased sales, because they'll be able to provide a better experience," says Ross Monaghan, managing director of digital at Perficient Digital.

While CRM data is still the most popular tactic to augment their data-driven marketing efforts, Anderson predicts that will change.

"I anticipate predictive analytics and audience definition will become more important, and that audience amplification and lookalike modeling will get more sophisticated," believes Anderson. "If not, there are dire consequences for North American retailers."

36% of retailers have CRM data initiatives, but only 19% have predictive analytics initiatives relating to data-driven marketing.

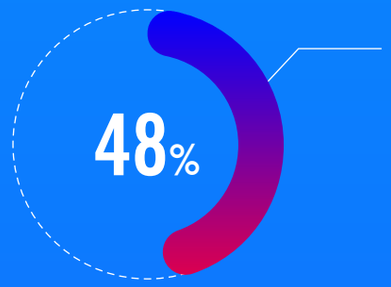
TRAVEL AND HOSPITALITY

Engaging an audience on the run.

Travel was one of the first verticals to go digital, building online booking sites for flights and hotels early on. But today, smart travel brands know consumer touchpoints go far beyond just the trip-planning stages. They realize their biggest unseized opportunity is guiding the customer experience journey from moment to moment—when arriving at the airline gate, while checking in at a hotel, while discussing dinner reservations, or when booking show tickets.

To engage during these on-the-move moments, travel brands need to build their mobile capabilities. And they realize those mobile capabilities require real-time data analytics to fuel and deliver them at the right moment. "It doesn't help to be able to talk to a customer after they leave town," says Julie Hoffmann, head of travel and hospitality industry strategy at Adobe.

The travel industry gets more mobile traffic than any other industry.



48% of visitors are on a mobile device.

More than any other industry, travel and hospitality brands are making use of real-time analytics and personalization.

use real-time data

use automated personalization

If brands are leaning on legacy systems to target and reach customers, the process will drag past the length of the customer's trip—and a chance will be lost. "In Las Vegas, for instance, the average length of stay is 2.7 days," says Hoffmann. "So you need the analytics to deliver on site, in context, in real time, on the device they're holding." Which is why two-thirds of travel and hospitality brands say mobile web development and mobile app engagement are very important to building their customer experience capabilities in the next three years.

"The worst thing is a missed opportunity—like when a passenger on a delayed flight can get answers from fellow Twitter users faster than they can get answers from the airline's mobile app. Brands need to think out possibilities to make travelers' experiences better."

JULIE HOFFMANN
Head of Travel and Hospitality Industry Strategy
Adobe

MILESTONE 4
COMPETE

"I like to make people stop and say, 'I've never seen anyone run like that before.' It's more than just a race, it's a style. It's doing something better than anyone else. It's being creative."

STEVE PREFONTAINE
1972 Olympic runner

"Organizationally there has to be advocacy at the executive level to ensure all experiences point back to the customer, says Nick Gloe from Slalom. "The ability to innovate, the ability to create a process for customers' experiences—you have to lay that foundation."

That's because the experience transformation is much bigger than your marketing department. It should be a company-wide initiative with C-suite buy-in and executive sponsors. That way, everyone plays a role in your success and looks for ways to continually improve.

"This needs to be a combination of organizational change, true data-based marketing, and experience creation and management," says Merkle's Lavelle.

His organization works with clients to create a strategy at the enterprise level, which brings transformation throughout the whole of the C-Suite and down through the company.

It's likely that your company will need to rework some organizational processes, but doing so will streamline the delivery of great customer experiences. And by "rewiring" your organizational brain, you'll find that new and better paths to great experiences come more naturally. The result will be like an endorphin high that comes from running more efficiently. You'll strengthen connections to your brand, see faster innovation, and enjoy more growth.

Equip your team to pull ahead.

It takes more than a good digital platform to be competitive. You need to structure your entire organization around being an experience business, where everyone—from your CEO to your HR director—is working for transformation. Begin by defining and prioritizing your key business objectives at the executive level. Next, set up steering committees and determine who is responsible for your digital marketing strategy, digital initiatives, technology needs, and implementation. This includes defining standards for the digital experience and assigning responsibilities and process ownership.

Be prepared to update many, if not all, of your processes, ensuring that all staff are on board with your plan and equipped to be part of the transformation. Eliminate silos and give everyone access to the data they need—not just in your marketing department but across your entire organization. Restructure your physical environment where necessary, bringing groups together for better communication. Basically, rethink everything about how your organization is set up, so you're in a better position to deliver personal, relevant, and compelling experiences.

Another great way to lock in your competitive advantage is to implement centers of excellence and innovation labs that can guide and coach the rest of your team. Working from the steering committee's roadmap, they'll review and validate the projects, determine best practices, and push them out to the rest of your organization with training, support, and subject matter expertise.

Remember, it's important to start small, with one product line, geography, or audience, and then take what you've learned and spread it across your organization. Implement one or two centers of excellence at first, then use them more widely throughout your organization.

Basically, rethink everything about how your organization is set up, so you're in a better position to deliver personal, relevant, and compelling experiences.

It's a

TEAM EFFORT

Digital experience teams:

Digital marketing strategy

Digital initiatives

Technology needs

Implementation

Digital experience standards

Executive leadership

Digital steering committee:

Define responsibilities and process ownership

Be prepared for changing conditions.

The market you play in today may not look the same a few years down the road. That's why you need a plan that allows you to stay relevant. Examine how you're using data, channels, personalization, content, reach, and design. Be willing to adapt your business model for changing conditions. "An experience brand understands the needs of its customers and aligns its priorities to fulfilling those needs," says Ross Monaghan at Perficient.

A great example is *National Geographic*. Once simply a magazine publisher, *National Geographic* is now also a travel company and an entertainment leader engaging more than 760 million consumers a month. These changes resulted from understanding what people are passionate about and adapting their data strategy into one focused on context. According to a CMO.com article, *National Geographic*'s data indicated climate change was very top-of-mind for their audience. They tapped into their existing assets to engage with people in real time about climate change and saw their engagement numbers take off. The company also collaborated with actor Leonardo DiCaprio on the film *Before the Flood,* which has become one of the most watched documentaries of all time. Audiences want context. Companies need to listen and adapt.

Ask yourself if there's a key element to success in your industry and brand. Review the takeaways from our industry partners. And look at innovations and trending initiatives as they come along. Lavelle believes the combination of augmented reality and artificial intelligence is changing everything. "The ability to take data and create an experience that enhances what the consumer is doing is really interesting right now." He adds that being able to go further in our data analysis with artificial intelligence and using what we find for prescriptive intelligence has tremendous potential.

Companies that innovate in experience design, create unified customer journeys, and accelerate the delivery of high-impact content will see their experiences differentiated over the long term. They'll create loyal customers. And they'll become robust yet agile experience businesses.

"An experience brand understands the needs of its customers and aligns its priorities to fulfilling those needs."

ROSS MONAGHAN
Director of Digital
Perficient

Go the **DISTANCE.**

"We all have dreams. But in order to make dreams come into reality, it takes an awful lot of determination, dedication, self-discipline, and effort."

JESSE OWENS
four-time Olympic gold medalist

The race to become an experience business is fueled by digital maturity. If you want to succeed, you need to ask yourself these questions:

- How do your digital marketing efforts compare to those of digitally mature companies?
- Do you have a strategy in place for digital maturity? And is it phased?
- Does your strategy allow you to be agile, enabling you to adapt and stay relevant?
- Do you have executive-level buy-in?
- Are all levels of your organization focusing on customer experience?
- Are you examining all of your business processes and making changes where you need to?
- Are you staying on top of what's happening in your industry and adapting where necessary?

Remember, this is a journey with an ever-changing destination. If you want to get ahead, you can't stop as soon as you feel the first sign of fatigue. Dedicated runners keep pushing. They continue to train and improve, and soon running gets into their blood—especially when they begin to see their first wins.

The great thing about your transformation journey is that you can start wherever you are right now. Look at the road ahead. Determine your goal and design a strategy to get you there. And keep pushing. You'll find the path gets more rewarding with every milestone you reach. And the high that comes from being an experience business makes the journey worthwhile.

ADOBE can help.

Adobe Experience Cloud makes it easier than ever to gain momentum on your path to transformation. This integrated set of solutions has everything you need to create and deliver great customer experiences—with Adobe Analytics, Adobe Target, Adobe Experience Manager, Adobe Social, Adobe Media Optimizer, Adobe Primetime, Adobe Audience Manager, and Adobe Campaign. It's the only open platform that lets you centralize and standardize customer data and content from any system—allowing you to gain a 360-degree view of your customers, gather deeper intelligence, and better personalize your content and advertising. You'll be able to grow your digital maturity in a holistic way and create and deliver customer experiences that will help transform your business.

Learn more about the topics explored in this paper .

Methodology.

Between March and April 2017, Adobe surveyed 1,165 digital marketers in enterprise companies in the United States, Canada, the United Kingdom, France, and Germany to learn their current priorities and tactics, as well as their plans for the future. Companies surveyed had an average of 7,000 employees. Industries included business-to-business high tech, financial services, media and entertainment, professional services, retail and commerce, travel and hospitality, and others.

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